GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7077
ANSWERED ON:18.05.2012
RBI GUIDELINES FOR SANCTION OF LOAN TO CORPORATES
Rane Dr. Nilesh Narayan

Will the Minister of FINANCE be pleased to state:

(a) the details of the loans disbursed by the public sector banks to big corporate nouses during the last three years and the current financial year, State-wise and bank- wise;

(b) the details of the amount recovered and recoverable from the said corporate houses out of such disbursed loans, as on date, State-wise and bank-wise; and

(c) the remedial measures taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) : The Reserve Bank of India (RBI) maintains data on Outstanding credit of Scheduled Commercial Banks (SCBs) to Private Corporate Sector and not on loans disbursed to different sectors of the economy. The details of the Outstanding credit to Private Corporate Sector by Public Sector Banks, State-wise and Bank-wise as on 31st March 2008, 2009 and 2010 is at Annexure-I & II, respectively.

(b): The Public Sector Bank-wise details of Gross Non-Performing Assets (NPAs) and Actual Recoveries from NPAs for the last four years are at Annexure-III and Annexure-IV, respectively.

(c): Banks are required to monitor NPAs and take steps to bring them down through recovery/other channels. RBf also monitors the NPA levels in banks. This aspect is reviewed during Annual Financial inspections and monitored on an ongoing basis through regulatory returns submitted by banks and periodical meetings with banks. RBI has advised banks from time to time to take effective measures to strengthen the credit appraisal and post credit monitoring to arrest the incidence of fresh NPAs and adopt a more realistic approach to reduce the existing and chronic NPAs in all categories. At a meeting of select banks having higher preponderance of NPAs held on February 29, 2012, RBI advised the banks to take necessary steps for appropriate NPA management.